

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 269** HLS 20RS 232
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 29, 2020	2:19 PM	Author: CARTER, GARY
Dept./Agy.:		Analyst: Greg Albrecht
Subject: Allows for use of Budget Stabilization Fund for disasters		

FUNDS/FUNDING REF SEE FISC NOTE SD EX See Note Page 1 of 1
 Allows for the use of the Budget Stabilization Fund for state costs associated with a federally declared disaster

Present law establishes the Budget Stabilization Fund and provides for various deposits into the fund including 25% of any nonrecurring revenues and mineral revenues collected by the state over a base amount; provides for the fund to be used only under certain conditions after consent of 2/3 of the elected members of the legislature; and prohibits the amount included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year from exceeding 1/3 of the fund balance at the beginning of the current fiscal year.

Proposed law allows for the use of the fund for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after the consent of 2/3 of the elected members of the legislature; prohibits the combined amount of the fund that may be withdrawn to 1/3, including federal disaster costs; provides that the increase in revenues available for allotment and expenditure by a state agency shall not exceed costs incurred by the agency related to the declared disaster adjusted for any federal reimbursement received; provides that any monies received from the federal government for reimbursement be deposited back into the fund. Contingent upon voter approval of a constitutional amendment in HB 267 of the 2020 Regular Session of the Louisiana Legislature.

EXPENDITURES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Implementation of the proposed law would not create an expenditure obligation. However, it does allow the legislature by 2/3 vote to authorize utilization of an amount up to 1/3 of the budget stabilization fund to provide for state costs associated with a federally declared disaster.

For illustrative purposes, based upon the Budget Stabilization Fund balance at the beginning of FY 20 (\$405.283 M), the state could access up to \$135.094 M (1/3 of that balance) to address a federally declared disaster hitting the state during the current fiscal year.

Proposed law keeps in place the restriction that no more than 1/3 of the fund may be included in the official forecast for the next fiscal year and the amount appropriated for the current fiscal year in comparison to the fund balance at the beginning of the current fiscal year.

Proposed law is contingent upon approval of a constitutional amendment to be considered by voters at the statewide election to be held on November 3, 2020, as proposed in HB 267 of the 2020 Regular Session of the Louisiana Legislature.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Proposed law provides that any reimbursement by the federal government for the costs associated with the corresponding disaster shall be deposited into the Budget Stabilization Fund, in an amount not to exceed the appropriation authorized from the fund. For informational purposes, federal reimbursements may take multiple fiscal years to receive and typically do not fully reimburse state costs, so the Budget Stabilization Fund would be partially replenished but not made whole over time.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer